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SIPDIS

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TAGS: [ETRD](#) [EFIN](#) [KIPR](#) [PL](#)

SUBJECT: Poland: Debate on Film Act Heating Up

REF: February 3 Birdsey-Erath/Sessums/Errion Email

Summary

[1](#)1. (SBU) Legislation being drafted by the Polish Parliament (Sejm) to impose a tax on foreign broadcasts into Poland is being hotly debated in the government. Sejm deputies want to use the collected revenue to subsidize the domestic film industry. Although the Ministry of Culture sees no problem with the subsidy measure, the Ministry of Finance and the Office of Competition and Consumer Protection (UOKiK) have misgivings over the efficacy and legality of the measure. A major question is whether the Sejm can pass the law before elections scheduled for June. An English translation of the law is not yet available; however, below is a translation of Article 19, which contains the substance of Post's and industry's concerns. End Summary.

Split in Government and Parliament on Bill

[1](#)2. (SBU) Econoff spoke with Pawel Ziolek, a consultant for major U.S. broadcasters in Poland, regarding the status of the Film Act. Ziolek said he was not surprised that, in a meeting between the Ambassador and the Minister of Culture last month, the Polish position on the Film Act was firm: no WTO/Trips incompatibility, and no real "injury" to foreign broadcasters. In earlier discussions with Ministry of Culture staff, one Polish official raised and then dismissed the issue of copyright infringement, although we had not raised copyright as a particular problem (NOTE: If there are copyright or other IPR-related concerns to state aids for broadcasters that Post is missing, request Washington agencies to let us know. End Note).

[1](#)3. (SBU) Ziolek said that the Finance Ministry and UOKiK are exerting pressure on the Ministry of Culture to abandon support for the legislation. Finance does not believe the measure will be cost-effective; UOKiK sees potential competition policy inconsistencies. Within the Sejm there is also debate, with the Citizens' Platform (PO) and Law and Justice (PiS) parties lined up against the bill. The Democratic Left Alliance (SLD), Polish Peasant Party (PSL) and League of Polish Families (LPR) support the measure. Given the political dynamics in Poland, it is not clear that the measure can be made into law before elections in June. Nonetheless, industry representatives remain concerned that a bill with onerous tax levies may be pushed through soon.

Article 19

[1](#)4. (U) Entities running movie theatres shall transfer to the Institute a constant two percent write-off from the revenue obtained from showing films and advertisements in their theatres--this is to be performed before the revenue is shared with the distributing entity.

[1](#)5. (U) Distributing entities shall transfer to the Institute a constant three percent write-off from the revenue obtained from the sales and lease of carriers with recorded films, as well as from agreements authorizing other entities to such sales and lease.

[1](#)6. (U) Television broadcasters shall transfer to the Institute a constant two percent write-off from the revenue obtained from presenting TV-shopping advertisements and sponsored programmes.

[1](#)7. (U) Entities collecting payments for access, on the territory of the Republic of Poland, to programmes originating from broadcasters from abroad but broadcast in the Polish language or translated into Polish shall transfer to the Institute a constant two percent write-off from the revenue obtained from the above payments.

[1](#)8. (U) Cable TV operators shall transfer to the Institute a constant two percent write-off from the revenue obtained from the rendering of the re-emission service.

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